UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/50/534
26 October 1995
ENGLISH
ORIGINAL: SPANISH

Fiftieth session
Agenda item 20 (b)

STRENGTHENING OF THE COORDINATION OF HUMANITARIAN AND DISASTER RELIEF ASSISTANCE OF THE UNITED NATIONS, INCLUDING SPECIAL ECONOMIC ASSISTANCE: SPECIAL ECONOMIC ASSISTANCE TO INDIVIDUAL COUNTRIES OR REGIONS

International assistance to and cooperation with the Alliance for the Sustainable Development of Central America

Report of the Secretary-General

I. INTRODUCTION

1. The present report is submitted pursuant to General Assembly resolution 49/21 I of 20 December 1994. It describes the international cooperation activities implemented since January 1995 in support of the Alliance for the Sustainable Development of Central America, following the conclusion, on 31 December 1994, of the mandate of the Special Plan of Economic Cooperation for Central America.

2. In its resolution 49/21 I, the General Assembly emphasized the need to design a new programme of international cooperation for Central America, based on the priorities laid down in the Declaration of Commitments adopted by the Follow-up Committee of the International Conference on Central American Refugees (CIREFCA) and in the new subregional development strategy, the Alliance for Sustainable Development of Central America. The Assembly expressed support for the efforts of the Central American Governments in their commitments to the alleviation of extreme poverty and the fostering of sustainable human development, and urged them to intensify the implementation of policies and programmes in those areas. It stressed the need for the international community to continue its support for those efforts, and requested the United Nations system and, in particular, the United Nations Development Programme (UNDP) to continue to provide the necessary support and to mobilize resources in order to meet the objectives of the new strategy for development in Central America.

3. Resolution 49/21 I ushered in a new phase of international cooperation with Central America, following the conclusion of the Special Plan of Economic Cooperation for Central America. The General Assembly had adopted the Special Plan in response to a request from the Central American Governments to promote international cooperation in support of peace, democratization and development in Central America. The Special Plan was launched in September 1988, pursuant to General Assembly resolution 42/231 of 12 May 1988, for an initial period of three years (1989-1991). By its resolution 45/231 of 21 December 1990, the General Assembly extended the mandate for an additional three years (1992-1994). This report will refer to certain activities under the Special Plan which continue to be implemented, although they have been adapted to the current situation and to the new priorities established for the subregion.

4. While this report focuses on the Central American isthmus, comprised of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, it also covers some activities in support of refugees which include parts of southern Mexico.

II. THE MACROECONOMIC FRAMEWORK

5. According to the Economic Commission for Latin America and the Caribbean (ECLAC), a number of factors, both positive and negative, influenced economic developments in 1994 and had short-term effects on stabilization efforts. A measure of uncertainty, the level and nature of which varied by country, had an impact on the decisions of economic agents and on economic activity. In Nicaragua, the climate of tension arising from the internal political dispute persisted, while Guatemala felt the effects of the obstacles imposed by the confrontation between State authorities and by the Government's difficulty in implementing a significant fiscal reform to place State finances on a sounder footing. Another factor in several countries was the transition occasioned by constitutional changes of government. Although the new authorities continued to emphasize macro-financial stabilization, economic liberalization and institutional modernization, the measures taken to achieve those ends met with serious difficulties in the short term.

6. Public finances in the subregion deteriorated considerably as Costa Rica suffered a severe fiscal crisis, while Honduras and Nicaragua made strenuous efforts to control serious budgetary imbalances. The position of El Salvador and Guatemala was more favourable, owing to their relatively moderate fiscal deficits, although Guatemala suffered some setbacks in this regard. Panama's central Government saw a slight rise in its deficit which represented only 0.8 per cent of its gross domestic product (GDP). Belize's fiscal situation improved as its deficit fell from 6 per cent of GDP in 1993 to just over 2 per cent in 1994 owing to a reduction in capital outlays. Costa Rica and Honduras witnessed a resurgence of inflation, partly because of severe fiscal and monetary imbalances and the realignment of their exchange-rate parities. In contrast, prices in El Salvador and Nicaragua rose more slowly than in 1993. Panama maintained low inflation indexes (1.3 per cent for consumer prices and 2.1 per cent for wholesale prices), while Belize's index rose, though it remained relatively low. This situation was also affected by the severe drought that hit several countries of the subregion, which reduced agricultural output,

aggravated the already chronic energy crisis and generated inflationary pressures stemming from the scarcity of staple foods.

7. One positive factor was the improvement in the terms of trade beginning in the second half of the year, owing primarily to the increase in international coffee prices and, to a lesser degree, the rise in sugar prices. Although low levels of coffee bean production and the usual practice of advance sales did not allow the countries to take full advantage of the price boom, extra earnings from these exports constituted a significant injection of resources that helped to temper economic difficulties and to brighten the outlook for economic activity in the subregion. The upswing in export earnings slightly reduced the current-account deficit of the balance of payments of the five Central American countries and slightly increased international reserves, even though net capital investment from abroad was lower than in 1993. Panama's trade balance ran a small deficit, but its situation with respect to external payments was relatively comfortable owing to the expansion of both the international banking centre and its national banking system. Belize's balance of payments was buoyed by strong agricultural exports, while its reserves were eroded more slowly in 1994 than in 1993.

8. Cooperation mechanisms among the Central American countries were strengthened in 1994, and the negotiation of trade agreements with third countries was intensified, though it showed uneven progress. Costa Rica concluded a free trade agreement with Mexico, which came into force on 1 January 1995, while other countries began to negotiate similar agreements with that country. It was possible to coordinate trade negotiations with Venezuela and Colombia, as well as with various regional and extra-regional forums.

9. As for production, a decline in Honduras (of 1.4 per cent) and a slow-down in Costa Rica (from 6.1 per cent in 1993 to 4.5 per cent in 1994) resulted in more modest economic growth in Central America, as both El Salvador and Guatemala showed levels very similar to those of the preceding year, while Nicaragua experienced a significant recovery (3.2 per cent). Central America's GDP rose by 3.6 per cent, compared to 5.5 per cent and 4.9 per cent in the preceding two years. In any case, per capita GDP increased, albeit only slightly. In Panama, economic activity expanded for the fifth year in a row (by 4.7 per cent) thereby recovering the level of per capita GDP recorded prior to the crisis of 1988. Belize, in contrast, saw its economic growth rate decline for the second year running as a result of its fiscal adjustment.

10. Economic performance reflected the combined effects of a variety of factors. In particular, gross fixed capital formation slowed down after having gained considerable momentum in previous years. Except in El Salvador, where it continued to climb rapidly (by 12.1 per cent, compared to 14.7 per cent in 1993), the growth rate of investment slowed sharply; in Costa Rica, it fell from 19.6 per cent to 3.4 per cent as a result of monetary and financial disturbances and the reduced availability of external resources. Efforts to curb public expenditure in Honduras caused investment to stagnate (0.3 per cent, compared to 18.2 per cent in 1993). In Guatemala, private investment shrank by 4.6 per cent after having expanded by 8.6 per cent in 1993, while the recovery of public investment in Nicaragua was insufficient to keep total capital formation from falling for the second year in a row. Gross domestic investment in Panama rose

by 7.3 per cent, though this rate was lower than those recorded earlier in the decade. In Belize, public investment declined under the adjustment policy.

11. The agricultural sector was hard hit by the drought that plagued the subregion, causing sharp declines in the production of basic grains (maize, beans, rice and sorghum) and prompting the adoption of government measures to support producers and grain imports to build up stocks. Agricultural output shrank in El Salvador and Honduras, but Nicaragua managed to salvage its "late" harvest. Panama's banana and coffee crops improved over their 1993 levels, and agricultural activity in Belize (sugar, citrus fruits and bananas) was brisk in 1994.

12. The insufficient rainfall accentuated the subregion's energy crisis. The short supply of water in reservoirs reduced the capacity to generate electricity, necessitating strict water rationing in Honduras, Nicaragua and, towards the end of the year, Guatemala. Power plants generated more electricity from thermal sources, with a consequent rise in production costs. The impact of the crisis on economic activity was particularly intense in Honduras and, to a lesser degree, in Nicaragua. Manufacturing activity expanded at a somewhat slower rate in Central America, inter alia as a result of a slow-down in Costa Rica and a decline in Honduras. Panama's manufacturing industry also shrank pending the outcome of proposed changes in fiscal and tariff policies. In Belize, however, the sector expanded in 1994, given its linkage to agricultural activity. Although tourism in Belize increased only slightly, the sector's gross earnings grew by 3 per cent, exceeding the value of merchandise trade.

III. IMPLEMENTATION OF COOPERATION ACTIVITIES

13. In 1994, the United Nations Development Programme (UNDP) decided, with the agreement of the Central American Governments, to assign the outstanding balance from the Special Plan of Economic Cooperation for Central America to finance some activities aimed at the preparation of a new programme for the Central American subregion. Formulation of the programme is based on priorities and undertakings established by the Presidents of Central America at their recent summit meetings, particularly the International Conference on Peace and Development in Central America, held in Tegucigalpa on 24 and 25 October 1994. It also reflected commitments made by the participants in the CIREFCA with respect to solving the problem of uprooted populations and the eradication of poverty. In preparing the programme, UNDP established contacts with government authorities and cooperation agencies, regional bodies, non-governmental organizations and various United Nations agencies, in order to identify programme priorities and start mobilizing resources for implementing the programme.

14. The programme seeks to promote the consolidation of peace in Central America by supporting the Alliance for Sustainable Development in Central America. It focuses on three main areas:

(a) Peace and governability;

(b) Economic and social development;

(c) Sustainable development of the environment.

IV. PEACE AND GOVERNABILITY

A. Support for the processes of consensus-building and strengthening of democratic institutions

15. The subprogramme deals with problems directly related to the consolidation of peace in the context of governable democracies, and supports implementation of the agreements for peace and national reconciliation.

16. The role of UNDP, which operates through its country programmes, includes support for the activities of consensus-building forums and non-governmental organizations, promotion of human rights and strengthening of judicial and electoral systems in different countries of the subregion.

17. With respect to consensus-building forums, in Nicaragua, for example, UNDP acts as technical secretariat for the Support Group which is made up of representatives from Canada, Spain, Mexico, the Netherlands and Sweden. The Support Group held intense discussions with Nicaraguan participants (business, labour, religious and academic leaders, non-governmental organizations, local authorities, the media, political leaders and the national Government) with a view to promoting a comprehensive agreement on Nicaragua, institutionalization of the dialogue between public officials and civil society, in order to ensure democratic governability, and support for the establishment of a national development strategy.

18. In Guatemala, UNDP participates in the forum of representatives of countries belonging to the Group of Friends of the peace process and supports dialogue with the business sector and with those participating in the Assembly of Civil Society. In Honduras, cooperation is maintained with the Convergencia Nacional forum. In Costa rica, a Youth Forum was held in 1994 with the support of UNDP to encourage active participation of young people in the work of the nation, and a national dialogue was facilitated between Costa Rican business groups and trade unions. Similarly, support was given to the Chamber of Exporters for the organization of the Costa Rican Forum 2020, aimed at projecting an objective image of the country, with the participation of well-known national figures.

19. The subprogramme includes a new project designed to help strengthen regional and national non-governmental organizations by providing training and facilitating their considered and purposeful participation in the processes of dialogue and consensus-building in society. The subprogramme also will provide support to bodies and organizations responsible for coordination and joint regional efforts.

20. With regard to the restructuring and strengthening of democratic institutions, support is being given to the areas of involvement targeted by the country programmes of UNDP and other United Nations agencies. Technical cooperation currently is being extended to strengthen human rights institutions (such as human rights prosecutors in El Salvador, Honduras and Guatemala), the civilian police in El Salvador and State institutions under the Comprehensive Agreement on Human Rights in Guatemala, which resulted in the establishment of a Joint United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (MINUGUA)/UNDP Unit. Assistance was provided to the Commission for the Consolidation of Peace (COPAZ) in Guatemala and is now being furnished to the new Office for Peace, Development and National Reconciliation (SECPAZ). In Nicaragua, UNDP is participating in the programme for the reform and modernization of the public sector (together with the World Bank, the Inter-American Development Bank (IDB) and the United States Agency for International Development (USAID), and a project designed to streamline formalities relating to property ownership - for which US$ 3.6 million have been allocated - has been launched, with a view to removing one of the main obstacles to progress in the country. In Costa Rica, the National Congress on Justice held in 1994 resulted in a modernization plan, currently under way, which is being financed by the judiciary and IDB.

21. Another basic theme of the regional programme is support for the economic and social reintegration of former combatants, demobilized military personnel and wounded victims of war and conflicts in the subregion, who are covered by specific peace agreements. UNDP is providing support to implement those agreements, for example, in El Salvador, Nicaragua and Guatemala, and projects for each country have been submitted to, and have received the support of, the international community, both in advisory groups coordinated by the World Bank and in other resource-mobilizing forums. The topic is dealt with in the broader coverage of uprooted populations included in the next section.

22. In Guatemala, support is being given to a programme focusing on the identity and rights of indigenous peoples, the purpose of which is to establish the analytical and institutional foundations for the subsequent promotion of more far-reaching long-term reforms. The programme was developed on the basis of the commitments contained in the Agreement on Identity and Rights of Indigenous Peoples (A/49/882-S/1995/256, annex) and underscores the cultural aspects and legal reforms that affect the rights of indigenous peoples.

B. Sustainable human development at the local level

23. This subprogramme was established in response to the Declaration of Commitments in favour of populations affected by uprootedness and by conflicts and extreme poverty in the framework of the consolidation of peace in Central America adopted by the third and last International Meeting of the CIREFCA Follow-up Committee held in Mexico City in June 1994, and the follow-up machinery established in Guatemala City in November 1994. It should be noted that the Central American Governments, at the International Meeting in Mexico City, stated that progress towards the consolidation of peace in the new context of the subregion and towards ensuring continuity in the treatment of uprooted

populations called for a shift in the orientation of emergency programmes towards a stage focusing on strategies for sustainable human development in areas or on behalf of populations assigned priority by the countries concerned. To that end, they undertook to pursue sustainable human development policies and to focus on priority areas in which problems of uprootedness were compounded by the highest rates of extreme poverty, social exclusion, conflict situations or severe deterioration of the environment.

24. The mechanism adopted at country level is the National Coordination and Support Group (GRUCAN), a body open to all parties concerned and a framework for follow-up to the activities and initiatives undertaken in pursuance of the commitments and agreements. A multi-institutional technical task force is to be organized in each country and a coordinating secretariat elected from GRUCAN members. UNDP has convened the individual organizational meetings and the GRUCANs of Belize, Costa Rica, El Salvador and Nicaragua had been formally established at the time of writing this report, with multisectoral participation (central authorities, target population, national and international non-governmental organizations, donor countries and the United Nations system). In Belize, the mechanism operates in conjunction with the sustainable human development programme at the local level. In Guatemala, the project has not really got off the ground yet because of difficulties of coordination with the work of the technical commission for implementation of the part of the peace agreement concerned with the resettlement of uprooted populations.

25. An important source of experience for UNDP and the United Nations system in the launching of activities in implementation of the Mexico City Declaration of Commitments is the Programme for Displaced Persons, Refugees and Returnees in Central America (PRODERE). This UNDP programme has been a key component of the CIREFCA process and the largest operation of its kind in Central America. It encompasses six national and two regional projects, with total funding of US$ 148 million (US$ 115 million from the Government of Italy) and has been implemented by the United Nations Office for Project Services (UNOPS) since 1990 with the participation of the Office of the United Nations High Commissioner for Refugees (UNHCR), the International Labour Organization (ILO) and the World Health Organization/Pan American Health Organization (WHO/PAHO) and the support of the World Food Programme (WFP), the United Nations Children's Fund (UNICEF), the United Nations Volunteers programme (UNV) and the United Nations Population Fund (UNFPA).

26. The model for human development at the local level launched by PRODERE has successfully promoted peace and reconciliation, encompassing in an integrated way factors relating to protection of human rights, better access to education and health care, production, credit and employment. It adopts a participatory approach that strengthens local organizations at various levels. The programme has benefited half a million people directly and almost 600,000 others indirectly in the five Central American countries and Belize, involving 93 municipalities and over 800 local development committees that it has helped to establish in 14 areas of operation. The action of PRODERE has been acknowledged in such areas as human rights, education (over 350 schools built or renovated, 6,400 teachers trained and over 50,000 persons taught to read), health (over 100 centres built or renovated), vocational training, credit and production projects (micro-enterprises and agricultural development) and infrastructure (water

and/or sanitary facilities provided for more than 265,000 people and over 1,300 kilometres of roads built or repaired).

27. PRODERE wound up its operations on 31 July 1995. Experience with the model is being turned to account in a broader programme of sustainable human development at the local level. At a special event held during the World Summit for Social Development in Copenhagen from 6 to 12 March 1995, the Governments of Central America introduced the initiative in the framework of the Alliance for Sustainable Development. At the Governments' request, UNDP, with the assistance of United Nations agencies is taking steps to launch a new initiative on the same front, which will focus on the selected priority areas. The programme will comprise the country subprogrammes that are currently being implemented, taking into account the distinctive features of each country. Methodologies that have already been tested will be applied in each area to support the processes of State decentralization and modernization, to strengthen local authorities through community, municipal and departmental development boards, to integrate organizations representing civil society and to establish systems of production, employment and local services. These will be coordinated operations, to which it is hoped that various bilateral donors, banks and development funds will contribute, supplementing the financing provided by the countries themselves. They may be implemented in different ways to be specified by the individual organizations. In particular, in the case of Guatemala, proposals have been drawn up in connection with the agreement on populations uprooted by the armed conflict and are currently being considered by IDB and the Central American Bank for Economic Integration (CABEI).

V. ECONOMIC AND SOCIAL DEVELOPMENT

A. Agricultural development

28. The Regional Unit of Technical Assistance agricultural project (RUTA III) was initiated in April 1994. It is implemented by the World Bank with financing from the United Nations Development Programme (UNDP), the Government of Japan, the International Fund for Agricultural Development (IFAD), the Inter-American Institute of Cooperation in Agriculture (IICA) and the Government of Norway, in addition to in-kind contributions from countries. The inclusion in the near future of IDB (which participated in the earlier phase, RUTA II, until 1994) will increase financing to a total of over US$ 5.1 million. The project provides Central American Governments with assistance in their policies and programmes of agricultural modernization and institutional and rural-sectoral reform in order to strengthen the process of sustainable development in the subregion. The project supports countries in: (a) the formulation of policies, programmes and projects for investment and technical assistance in the implementation of lending operations; (b) the strengthening of the capacities of public and private institutions through training; (c) the formulation and implementation of strategies for addressing the problem of rural poverty; (d) the implementation of gender-specific policies on women and development; (e) the strengthening of sustainable agriculture through appropriate management of natural resources; and (f) the adoption of policies derived from the process of trade liberalization.

B. Social investments

29. The Regional Unit of Technical Assistance to alleviate poverty in Central America and Panama (Social RUTA) project has continued the operations which it began in July 1993. The project is executed by the World Bank with the participation of WHO/PAHO and with financing contributed by UNDP, the Government of Japan and IDB. Working through a regional unit in contact with national technical units, the project's goal is to assist countries in formulating policies and programmes in the social sector by strengthening the capacity of national teams in the preparation and evaluation of programmes and projects, with particular emphasis on basic education, health, nutrition and increased funding for social investment. The project has contributed to the identification, preparation and approval of World Bank and IDB loans in the amount of US$ 310 million approved to date and another US$ 474 million under consideration by the banks. By focusing on the most vulnerable groups, the implementation of this project will contribute to the achievement of greater equity in the allocation of public spending and to improved quality of services, broader coverage, and capacity-building of institutions in the social sectors.

30. In the health sector, the second phase of the UNDP project executed by WHO/PAHO and entitled "Management of health services" will be completed in August. The project has achieved results in four areas: mobilization of external and internal resources, support for the transformation of health systems at the national and local levels; exchange and mutual support among countries in the management of health services; and the production of technology, including a management information system for the efficient administration of health services. The system has been established in all of the countries.

31. UNDP has also contributed to the financing of the operations of the regional water and sanitation network in a project implemented by the World Bank and involving the participation of UNICEF, WHO/PAHO, Swiss development assistance, USAID, the German Agency for Technical Cooperation (GTZ) and the Canadian International Development Agency (CIDA). The project has supported the establishment of policies and programmes for increased efficiency in the quality and distribution of water and sanitation services in the subregion. In its second phase (1995-1996), for which UNICEF is the lead agency, IDB has become involved and the network has received additional financing from the Governments of Sweden and Switzerland, UNDP and the World Bank. The network promotes the exchange of information, supports the establishment of water and sanitation centres in Honduras and Nicaragua and participates in sectoral reform in the rural areas of Honduras in cooperation with the World Bank, IDB, WHO/PAHO and USAID.

VI. THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

32. In the area of the environment and the sustainable development of natural resources, UNDP supports the activities of the Central American Commission on Environment and Development (CCAD) at the regional level. In 1994, the projects executed under the Special Plan of Economic Cooperation for Central America (strengthening of CCAD in coordination with IDB and forestry development)

supported the Governments and CCAD in the preparatory activities of the Alliance for Sustainable Development. In connection with the decisions of the Alliance, priority activities are being followed up and new initiatives are being launched.

33. In February 1995, a meeting organized by CCAD was held in Panama City, with the participation of representatives of national governmental bodies, non-governmental organizations and organizations representing civil society, parliamentarians and cooperation agencies. Its purpose was to discuss substantive Alliance topics and implementation and coordination mechanisms to fulfil existing commitments, particularly in respect of biodiversity, environmental legislation and arrangements for regional, national and local participation. The activities involve the coordinated participation of various donors: USAID, the Finnish International Development Agency (FINNIDA), the Danish International Development Agency (DANIDA), GTZ, France, CIDA, and the European Union; cooperation agencies connected with the environment, including the International Union for Conservation of Nature and Natural Resources, the World Wide Fund for Nature, the World Resources Institute and IICA; United Nations agencies, such as UNDP and the Food and Agriculture Organization of the United Nations (FAO); and organizations representing civil society.

34. Regarding forestry development, support is being given to the Central American Forestry Council, which arose out of the Regional Convention for the Management and Conservation of Natural Forest Ecosystems and the Development of Forest Plantations, signed by the Ministers for Foreign Affairs in October 1993. The aim is to support the design of forestry policies and strategies; management plans for the development of forestry resources; proposed technical standards for the certification of wood products originating from sustainably managed forests; a plan for preventing and fighting forest fires; case studies of forestry concessions; reduction of the greenhouse effect through the limitation and absorption of carbon dioxide; and formulation of framework forestry legislation for Central American countries.

35. Regarding the conservation of biodiversity and the protection of wilderness areas, support is being provided for the work of the Central American Council for Protected Areas, which arose out of the Convention signed by the Central American Presidents in June 1992. The aim is to facilitate the establishment of the Central American biological corridor on the basis of the strengthening of national systems of protected areas. In particular, it is hoped that the Global Environment Facility (GEF) will finance a project for the preparation of a more detailed stage of this initiative. Other undertakings include the establishment in each country of national biodiversity centres and botanical gardens to promote research on the exploitation and conservation of biodiversity, as well as an agenda for land-use management.

36. Along with those efforts, UNDP supports national efforts with GEF financing. Belize is implementing a coastal management plan to protect its coral reefs, at a cost of US$ 3 million. Costa Rica is continuing to execute the project in support of the sustainable management of the Osa Peninsula within its national system of protected areas (US$ 8 million). In Guatemala, a project called "Full protection of biodiversity in the Sarstung-Motagua region", amounting to US$ 4.1 million, was approved.

37. As a result of the commitments made at the United Nations Conference on Environment and Development under Agenda 21, UNDP, in conjunction with the Earth Council, began a national project in Costa Rica involving the Government, interested partners and United Nations agencies. A national committee established and coordinated through the Ministry of National Planning and Economic Policy promotes and supervises its activities.

VII. INSTITUTIONAL ASPECTS AND MANAGEMENT CAPACITY

38. At this stage in the Central American situation, an attempt has been made to develop a loose management structure, making use of existing organizations and fostering the formation of networks that would maximize the flow of information and ensure transparency. This facilitates the sharing of experience and information at the regional level between the various national organizations, both governmental and non-governmental. Each regional project is implemented in relation to the corresponding national counterparts and the existing regional organizations with competence in that specific area. Furthermore, maximum use is made of the inter-agency work of the United Nations, based on the coordination guidelines offered by the country strategy note and the interaction of agency heads at the subregional level.

39. The strategy for the regional programme emphasizes capacity-building of national and regional institutions In general, projects include activities or components aimed at the strengthening of public entities that act as national counterparts, including (a) creation and/or strengthening of consensus-building capacity; (b) establishment or strengthening of management capacity for the development process, especially in the area of formulation and implementation of public policy; (c) support for increased outputs and creation of institutional capacity to undertake new activities; and (d) improvement of the efficiency of information and management systems in general.